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AUTHOR Freedman, Audrey
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ABSTRACT

The role of the top human resources executive in major corporations has changed during the past decade into a directly involved business advisor, strategist, and implementer of business objectives. Intense competition has overridden previous human resources concerns and forced priorities toward internal, business-driven issues. Since cost-cutting and restructuring became the watchwords of the 1980s, personnel cutbacks and reorganization have occupied increasing proportions of the human resources executive's time. Nevertheless, all of the prior responsibilities, such as employee welfare, personnel administration, union relations, government regulation, and community concerns, are still human resources staff responsibilities. With the increasing dominance of business needs in the human resources function, there is some feeling that the top human resources position is becoming a general management job. In such a changing environment, training for the top human resources position becomes uncertain. A developing issue is whether there is a clear-cut human resources professional career and the specific content of such a career. (Author/KC)

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The Conference Board

Report Number 950

The Changing Human Resources Function

- *Business needs increasingly dominating HR agenda*
- *Traditional human resources concerns being overridden by intense competition*
- *Cost-cutting and restructuring occupying more of HR executives' time*

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Founded in 1916, The Conference Board's twofold purpose is to improve the business enterprise system and to enhance the contribution of business to society.

To accomplish this, The Conference Board strives to be the leading global business membership organization that enables senior executives from all industries to explore and exchange ideas of impact on business policy and practices. To support this activity, The Conference Board provides a variety of forums and a professionally managed research program that identifies and reports objectively on key areas of changing management concern, opportunity and action.

The Conference Board
845 Third Avenue
New York, NY 10022-6601
Telephone 212 759-0900
Fax 212 980-7014

The Conference Board Europe
Avenue Louise
207 - Bte 5, B-1050
Brussels, Belgium
Telephone 02 640 6240
Fax 02 640 6735

The Conference Board of Canada
255 Smyth Road
Ottawa, Ontario, K!H-8M7
Telephone 613 526-3280
Fax 613 926-4857

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The Changing Human Resources Function

by Audrey Freedman

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Acknowledgments

Madelyn Jennings, Senior Vice President, Personnel of Gannett, Inc., suggested that The Conference Board reconsider the role of the top human resources executive in the 1990s. She was, at that time, Chairman of The Conference Board's Advisory Council on Human Resources Management—a group comprising just such individuals.

After the Council devoted several hours of discussion to the subject of this report, individual members volunteered to review it for content and tone. Some thoughts have been drawn from experiences with the network of human resources executives to whom the Board provides service on a continuing basis. The council that generated and contributed to the report is listed below:

Mr. Rex D. Adams Vice President, Administration, Mobil Oil

Mr. John M. Bilich Corporate Vice President - Corporate Human Resources Armco Inc.

Mr. Gerald D. Baltherwick Vice Chairman Human Resources and Corporate Communications Southwestern Bell Corporation

Mr. W. Perry Brown Vice President & Director - Personnel American Cyanamid Company

Ms. Diane M. Capstaff Senior Vice President, Human Resources Management Services, John Hancock Financial Services

Mr. Bruce Carswell Senior Vice President - Human Resources & Administration

Mr. Ronald P. Carzoli Vice President - Human Resources Joseph E. Seagram & Sons, Inc.

Mr. William L. Chambers Senior Vice President/Human Resources, Beatrice Companies Inc.

Mr. H. Weston Clarke, Jr. Vice President, Human Resources Quantum Chemical Corporation

Mr. Warren F. Cooper Vice President, Corporate Personnel Sear, Roebuck & Co.

Mr. Donald D. Davis Senior Vice President Human Resources, CSX Corporation

Mr. Clifford J. Ehrlich Senior Vice President, Human Resources Marriott Corporation

Mr. Bruce R. Ellig Corporate Vice President - Personnel Pfizer Inc.

Mr. John J. Fitzpatrick Senior Vice President, Human Resources Administration, The Dun & Bradstreet Corporation

Mr. John L. Frost Senior Vice President, Personnel, General Mills, Inc.

Mr. C. William Gray Senior Vice President, Human Resources, Champion International Corp.

Mr. Edwin M. Halkyard Senior Vice President, Human Resources, Allied-Signal, Inc.

Ms. Lori Hinchman Vice President, Human Resources, Dillon Read & Co., Inc.

Mr. Lawrence Holleran Vice President, Human Resources FMC Corporation

Ms. Madelyn P. Jennings Senior Vice President, Personnel Gannett Company, Inc.

Mr. Donald M. Levinson Senior Vice President, Human Resources, CIGNA Corporation

Mr. Charles J. Mazza Vice President - Human Resources The Mead Corporation

Mr. James E. McElwain Vice President, Personnel Resources, NCR Corporation

Mr. Theodore C. Mullins Vice President - Personnel Unilever United States, Inc.

Mr. Kenneth L. Otto Senior Vice President, Employee Relations, Tenneco, Inc.

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Mr. Dale E. Smith Vice President, Human Resources Combustion Engineering, Inc.

Mr. H. Gordon Smyth Senior Vice President - Employee Relations, E.I. du Pont de Nemours & Company

Ms. Cam Starrett Vice President, Personnel & Administration, MacMillan, Inc.

Mr. John J. Tucker Senior Vice President, Human Resources, Kraft Inc.

Mr. Robert V. Welty Vice President - Human Resources Union Carbide Corporation

Mr. Christopher J. Wheeler Vice President, Human Resources, 3M

Mr. B. Joseph White Associate Dean and Professor of Business Administration, The University of Michigan

From the President

With increased competition and a complex and changing work force, the human resources function has come to play a crucial role in the strategic management of businesses.

This report provides a provocative and insightful perspective on the role of the human resources executive. It attempts to define the evolving role of the human resources executive and discusses the need for trained, competent professionals who will be, as business "partners," constantly confronted with the competing demands of functional specialization and business involvement.

One of the means of assuring that The Conference Board's research is relevant and useful to business is seeking the advice and participation of its councils. These councils provide opportunities for senior executives around the world to meet regularly and share information, ideas, and insights on crucial business issues. This report was undertaken at the suggestion of the oldest of those councils: The Advisory Council on Human Resources Management.

The Conference Board would like to thank the Advisory Council for making a contribution and, as practicing professionals, for sharing their expertise and experiences to enhance the quality and relevancy of the report.

PRESTON TOWNLEY
President and CEO

Executive Summary

The role of the top human resources executive in major corporations has changed during the past decade into a directly-involved business advisor and strategist, as well as implementer of business objectives.

Intense competition has overridden previous human resources concerns and forced priorities toward internal, business-driven issues.

Since cost-cutting and restructuring became the watchwords of the 1980s, personnel cutbacks and reorganizations have occupied increasing proportions of the HR executive's time.

Nevertheless, all of the prior themes—employee welfare, personnel administration, union relations, government regulation, and community concerns—are still present among the HR executive's responsibilities.

With the increasing dominance of business needs in the HR agenda, there is some question as to whether the top position is gradually becoming a general management job (albeit with a point of view originating in the work force of the firm). The "technical specialties" might then become relatively static administrative functions.

In such a changing environment, training for the top HR position becomes uncertain. There is a developing issue over whether there is a clearcut human resources professional career, and the specific content of such a career. The Conference Board's Advisory Council on Human Resources Management addressed all of these issues.

Corporate Human Resources Today

Human Resources (HR) management in the 1980s grew and broadened as it became dominated by internal business concerns. Competitive pressures—arising from imports and from deregulation—introduced new business emphases during the preceding decade. Old-line, well-administered corporations were forced to cut costs, improve productivity, become more flexible and responsive, and raise quality. None of these new demands can be met by following rulebooks and procedures. Competition required a new and intense focus on the economics of business operations.

Nevertheless, all of the requirements and responsibilities built into the job during previous eras were still very much a part of its work. These roles had become regularized, to be sure (see page 9), but remain a substantial, highly technical aspect of the HR function. In addition, HR cannot operate completely freely, as if past actions were not present, every day, in corporate life.

The Effects of Previous Corporate Decisions

In younger companies, the speed and ease of movement is great. There is a strong emphasis on recruitment of managers, technical people, and all workers. Growth and newness cover error; there is no time for scrutiny. Human resources results will not come in for decades.

The "anything goes" attitude is quintessentially American. We like to think of ourselves as beginning fresh each day, with enormous potential for quick change and reform. However, for HR managers in larger companies, this is far from true. Past corporate actions are heavily influential and constraining. Those who are aware of the constraints are better equipped to handle them smoothly, pick the important barriers, and shift them out of the way.

HR policies and procedures, the unwritten "standard operating practice" of the firm, the business ethic and culture of the firm, are all the product of actions and decisions that occurred 10, 20, even 30 years ago. Those who made and carried out decisions decades ago could not have foreseen their effects on the 1990 corporation. However, their results are often inappropriate in today's business situation, and need to be overcome. "Overcome" is more than simply "changed." It means redesigning and rebuilding in terms of the needs of the firm today. That is a major burden for HR to bear.

What are these speed regulators slowing down today's HR managers?

- The corporation's "convictions," beliefs, and myths.
- The pace of the business and the firm's time horizon.
- The company's self-image.
- The firm's definition of "the competition," and its definition of the market.
- The "usual and accepted" costs of the business: wage costs, capital availability, and investment requirements.
- The existing level of executive development, work force development and operating habits, managerial ability and "style," and union influence.
- The existing level of technology.
- The culture of receptivity (or resistance) among the hierarchy.

All of these affect HR management, along with general personnel "past practice"—all of the unwritten rules that have grown by accretion over the decades.

The HR job in a large corporation is to make the company more adaptive. It must be accomplished without exposing the company (or the individual manager) to serious risk. It also requires diplomatic attention to the advocates of if-it-isn't-broken-don't-fix-it inertia.

This role was described by Clifford Ehrlich, senior vice president of Marriott Corporation, as being "a catalyst for change." The most frustrating aspect of his job is "the barriers to changes that have already been

agreed upon. If one comes from long traditions (which we do), some of those barriers are understandable, some are not quite so understandable. Some are driven by our own function—by people whose history is 'we do it this way, we have that policy, and we have got to do that for the next decade in the same way.'"

Competition demands rapid adaptation. There is a lot of forced change taking place and the HR professional is guiding that change. Business and economic pressures are the most powerful influences on HR today, and will remain so. That creates another problem:

Tension Between Functional Specialization and Business Involvement

With the expansion of business and economic concerns—or competitive pressure—the top HR executive is increasingly involved in operating matters. There is much less demarcation between HR and line management, at least in point of view, or in operating framework. In most situations, HR executives welcome this integration. Yet they feel a tension, particularly at senior levels, between keeping current with the standard specialty areas and their new role as business partners.

Human resources departments comprise several highly specialized subject areas. On pages 21-24 the historical development of these technical areas is explained as a response to unions, or to government, or to developments requiring internal corporate policies of considerable refinement. As a result, today there are compensation experts, executive compensation experts, pension managers, benefits planners, benefits administrators—all proficient in the detailed technicalities of one aspect of pay. In the broad territory of finding and promoting employees are specialists in recruitment, interviewing and hiring, training, succession planning, career counseling, executive development, equal opportunity programming, and organization development. The box above shows what proportion of businesses had these specialties.

These are not all of the technical areas, but they are enough to worry a senior HR executive who is concerned about losing credibility or credentials by spending more time on broad business concerns rather than on his or her earlier speciality. Another concern is whether or not to bring a broad business point of view to the technical specialists reporting to the top HR person. In this situation, the senior HR executive is both interpreter and middleman: part of general management, yet leading a group of functional specialists.

The tension between business involvement and maintaining technical expertise occupied much of a late 1988 discussion in The Conference Board's Advisory Council on Human Resources Management. These top-level human resources executives were nearly all concerned about maintaining technical familiarity. One said that there is a dilemma in time allocation: stay functionally aware and competent, or stay close to general business executive thinking?

Technical Experts in Business Firms

A Society for Human Resource Management-Bureau of National Affairs survey of 477 businesses indicated that the following proportions had one or more "specialists" in a particular subject area:

benefits	38%
employment/recruitment	34
compensation	31
training and development	25
EEO compliance/affirmative action	16
safety and OSHA compliance	11
labor relations	11

Source: *Bulletin to Management* (BNA Policy and Practice Series), Vol .41, No. 26, Part II, (June 28, 1990), p. 9.

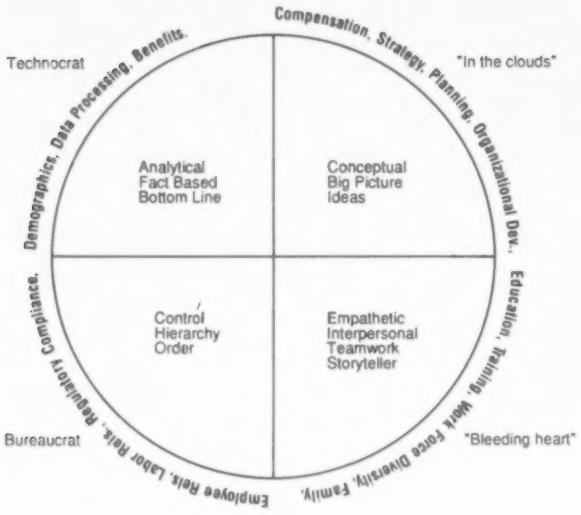
In moving closer to basic enterprise concerns, most of the Council members see the line of demarcation not in functional expertise terms, but in the staff or "assisting" role of HR. One said HR is a staff operation and always will be. Its main activity is to facilitate, support, and influence; and then to allow others to take credit for the results. It exists to further the business's objective, not to create an HR objective: That is the essence of the relationship or partnership with line management. New HR people must be sought on the basis of ability to influence, even at several layers above themselves. A deeper analysis of this influential or assisting role appears in the second section of this report.

One HR executive pointed out that being technically up-to-date in all specialties is no longer possible because the subjects have become too complex. There were several responses to that comment: "This is the reason for good staff work and support in each technical area," said one. "A confident HR executive will openly rely upon the expertise of specialized staff, or other professionals including advisors and even consultants," said another.

In large companies, one observed, the present and future situation is going to require that the HR staff have all of the expertise, and be able to operate relatively independently. The reason is that top HR executives are increasingly being asked to do "separate" problem-solving, run a business in transition, initiate a business start-up, and lead a task force. None of this is traditional work. It suggests that those executives are being drawn into general management, at least on a temporary basis.

Chart A represents different HR "competencies," developed by Cam Starrett, vice president of human resources for Macmillan Company. It shows that HR leadership, like chief executive leadership, requires strength in all quadrants. On the other hand, particular personal strengths and interests characterize technical and specialized HR professionals, as in the diagram.

Chart A: Human Resources Competencies



The analytical quadrant, for example, contains compensation—which is close to the conceptual group—and benefits. Data processing and "demographics management" (such as identification of high-potential employees) are in the analytical sphere, yet placed closer to the control quadrant. That control group also contains compliance and regulatory matters, as well as labor relations and employee relations. These last two are a little closer to the interpersonal, empathetic sector. Training, work force diversity, family issues, and employee assistance are clearly in the empathetic group.

The conceptual quadrant comprehends planning and strategy, and organizational development, and might be considered to be the home of the business and economic aspects of HR management. In fact, the entire business involvement issue for these executives may be seen as an outgrowth or enlargement of this one quarter labelled "big picture" or conceptual in nature.

Specialization and Organization of the HR Function

The top HR executive within a large corporation typically has specialized staffs to manage the technical subjects such as compensation, while concentrating on the larger business aspects of the function, in addition to planning. In Appendix A, eight organization charts from The Conference Board's Chart Collection identify these specialized technical areas, and show various configurations. Two of the charts also indicate relationships at the CEO level, and a number show types of decentralization, or interconnections with operating divisions.

The dominant message of these charts is that of variation. There seems to be no "typical" configuration of the HR responsibility. From this we might draw a first conclusion: The content of the HR function is determined by a *particular* business, a *particular* history—and, within a large corporate entity, by *growing differentiation* among businesses. In other words, it does not have "a life of its own." It is clearly an adjunct to the business, and takes its mission and shape from the needs of that business and its line executives.

Nevertheless, some specialties appear on nearly every chart (compensation and benefits, for example). Some aspect of employee development or training occurs in most charts. Labor relations occur in some, probably because union presence is the determinant. Other technical functions, such as planning, medical office or health and safety, information systems, and equal opportunity are found on many charts. The charts have not been standardized (other than removal of company identification), so that their variety of terminology and structural relationships is not compromised.

Because of the close connection between specialized functions and the nature and history of the business itself, the organization charts can be used for some informed guesswork about the companies involved. For example, *Chart 1* is probably a unionized manufacturing company—it has an "industrial relations" staff, even at regional levels, and a corporate "safety and environment" manager. The top HR executive in *Chart 2* carries the title "Personnel and Union Relations Director," in a company that seems to be either manufacturing-based or a public utility. *Charts 2* and *3* contain a section covering "security."

The presence of HR staffs dealing with "mergers and acquisitions" in *Chart 4* suggests a major role in corporate planning, and heavy consideration of HR issues in business initiatives.

Charts 5 and *6* depict a decentralized management strategy: The operating divisions have HR managers with a dotted-line relationship to corporate HR executives, but report directly to line managers at the division level.

Chart 7 shows great elaboration in the staffing of benefits, as well as an emphasis on compensation, yet it also shows an unusual title: "Manager of Productivity Improvement."

The two technical fundamentals of any HR department seem to be compensation and benefits: They are omnipresent. Technical specialization, especially in large corporations with numerous pay and benefits plans, is required. In many, both administration and planning are shown, and they may even be separated organizationally.

The relationships shown in HR organization charts represent several ways of organizing technical assistance to help operating executives, as well as an ad-

ministrative structure. One of The Conference Board's Advisory Committee members commented that she is not at all threatened or disturbed when the CEO seeks detailed information about, for example, compliance with a new tax regulation. She is the top-level HR executive. She calls her manager of compensation, or benefits, into a conference with the CEO, "because they know the facts better than I."

Compensation and benefits are subjects that require the most extensive specialized knowledge, closely followed by employment/placement/planning, according to a survey of the Society for Human Resource Management.[1] For HR generalists, more knowledge is required if they are at higher corporate levels—or if they work in smaller organizations. Being high up *or* having to cover a lot of territory means having to know a great deal about all aspects of human resources.

Size of HR Staffs

The administrative personnel work of HR departments has been described and reported in a survey by the Society for Human Resource Management (SHRM) and The Bureau of National Affairs (BNA). There was some variation in the size of HR managerial and professional staffs by industry. Those with relatively heavy HR staffing seem to be industries that are either currently affected and protected by regulation, or recently emerged from regulation. Transportation, communication, utilities, and banking and finance had higher proportions of HR managers and professionals (see Table 1).

A systematic, but moderate, variation appears when size of business is taken into account. That is, the larger the business, the lower the ratio of personnel managers and professionals to total employment. There are modest economies of scale in the HR function.

Data from a comprehensive and detailed occupational survey of 514,400 business and non-business establishments show levels of HR managers and specialists by industry (see Table 2). These ratios are roughly half as high as those shown in the SHRM-BNA survey. An important reason is that the BLS survey was a far larger one, going to very small businesses that did not report any personnel staff (slightly more than half of all respondents did report personnel specialists or managers). In very small firms, HR management is a part of the responsibility of the operating business manager or proprietor. Ratios in Table 2 are reported in terms of total employment within each industry, not calculated in terms of personnel ratios within each business. A second point of difference is that it is likely that a survey covering all occupations within a firm will pick up fewer reported "personnel" specialists than one

Table 1: Median Number of Personnel Managers and Professional/Technical staff per 100 employees on firm payroll

Category (and number of respondents):	
Manufacturing (166)	.6
Transportation, Communications, Utilities (37)	.8
Wholesale/Retail Trade (33)	.4
Banking and Finance (56)	.9
Health Care (51)	.4
Government and Education (50)	.5
By size:	
up to 250 employees (124)	1.1
250 - 499 employees (82)	.8
500 - 999 employees (79)	.5
1,000 - 2,499 employees (105)	.5
2,500 or more employees (84)	.3

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that is directed only to personnel respondents. While there is likely to be some implicit size effect, the BLS data also suggest that industry characteristics play an important part in determining the ratios of personnel staff to total employment.

Financial institutions (the second grouping in Table 2) have high ratios of human resources managers and professionals. In the financial grouping, those with *lower* HR ratios are, in fact, the businesses in which numerous small firms operate: real estate and insurance agencies. It is reasonable to conclude that there is something about financial institutions that requires a large personnel function. The possible explanations include a fiduciary responsibility that requires greater scrutiny and overseeing of personnel; or a need for more careful training and management of people in this personal service business.

Retail and wholesale trade (the fourth grouping in Table 2) has notably low levels of HR staffing. These businesses are generally very small. It seems likely that they are, in fact, so small that there is not even one full-time personnel manager. The business owner or line manager may actually be performing HR management during most of the day.

Manufacturing and mining industries (the fifth and part of the sixth grouping in Table 2) have relatively high ratios of HR managers to total employment. Possible explanations are greater levels of unionization and a long-term union presence, more hierarchical management structures that require staff back-up at each level, and generally older businesses. These characteristics might be applied equally to some of the transportation and utility industries in Table 2. They have been regulated industries, as well.

[1] Walter W. Tornow, Jan S. Houston, and Walter C. Borman, "An Evaluation of the Body-of-Knowledge," *Personnel Administrator*, June, 1989, pp. 136-143.

Table 2: Average Number of Personnel, Training, and Labor Relations Staff per 100 employees, by industry

Industry	*Managers*	*Specialists*	*Industry*	*Managers*	*Specialists*
Railroading	.18	.15	Automotive/gasoline stations	.03	n/a
Local & suburban transit	.17	.10	Apparel and accessory stores	.06	n/a
Motor freight transportation	.12	.10	Home furnishings, equipment	.06	.04
Water transportation	.21	.15	Eating and drinking places	.04	.02
Transportation by air	.15	.23	Miscellaneous retail	.05	.03
Pipelines, except natural gas	.36	.42			
Transportation services	.12	.06	Food and kindred products	.25	.15
Communications	.18	.38	Tobacco products	.25	.56
Electric, gas, and sanitary	.27	.65	Textile mill products	.21	.11
			Apparel and fabrics	.13	.05
Depository institutions	.45	.44	Lumber/wood products (b)	.13	.06
Nondepository credit institutions	.36	.36	Furniture and fixtures	.20	.11
Security and commodity services	.20	.29	Paper and allied products	.28	.19
Insurance carriers	.30	.56	Printing and publishing	.18	.13
Insurance agents, brokers	.16	.09	Chemicals	.38	.38
Real estate	.10	.03	Petroleum refining	.37	.54
Holding and investment offices	.76	.88	Rubber and plastics	.24	.15
			Leather products	.15	.07
Hotels, lodging places	.21	.12	Stone, clay, glass, concrete	.23	.13
Personal services	.06	.04	Metal industries	.27	.23
Business services	.35	.29	Fabricated metal (c)	.23	.13
Automotive services	.06	.04	Machinery/computer eqpmt.	.27	.27
Miscellaneous repair services	.03	.03	Electronic/electrical eqpmt.	.31	.35
Motion pictures	.17	.13	Transportation equipment	.19	.46
Amusement/recreation services	.10	.04	Measuring/analyzing instruments	.31	.30
Health services	.11	.07	Miscellaneous mfg. industries	.21	.10
Legal services	.18	.19			
Hospitals	.02	.04	Metal mining	.26	.40
Educational services	.07	.10	Coal mining	.35	.35
Social services	.25	.32	Oil and gas extraction	.23	.42
Museums, galleries, gardens	.26	.19	Mining, nonmetallic minerals	.15	.09
Membership orgs. (a)	1.51	6.14	Building construction	.09	.02
Miscellaneous services	.18	.16	Heavy construction	.10	.06
			Government:		
Wholesale trade—durable	.08	.09	Federal	.11	.89
Wholesale trade—nondurable	.08	.05	State	.14	.63
Building materials	.03	.02	Local	.13	.19
General merchandise stores	.18	.31			
Food stores	.06	.03			

(a) except religious organizations
(b) except furniture
(c) except machinery and computer equipment

Source: Occupational Employment Survey (OES), various reference years (1985-87), U.S. Bureau of Labor Statistics

In terms of the whole economy, the large BLS survey can give a broad picture of the HR function—at least when it is clearly identified with a personnel "specialization." Much of what we have learned, of course, implies a blurring of the boundaries between general managers and personnel specialists, as business pressures require a less parochial and "professional" isolation in the function. Table 3 shows recent and expected future non-clerical employment in personnel training and labor relations, as carefully defined:[2]

The growth rates for both types of non-clerical personnel staff are higher than expected growth rates for total employment.

Table 3: Non-Clerical Employment Projections to 2000

	1986	*Projected 2000*
Personnel, training, and labor relations:		
managers	150,030	191,920
specialists	220,700	267,200

Overlap of HR and Line Management

If HR executives feel a tension between technical expertise and their growing role in enterprise operation, that is only part of the issue. As HR becomes blended with line management concerns, it begins to lose a separate staff identity and purpose. Could the separate function disappear gradually? In some companies, operating and line managers might begin to assume some aspects of HR functions as part of a complete management role. It may be that the "old" functional specialty (personnel management) is fading as management of HR becomes an aspect of general management. If such a blend develops, then technical work such as benefits administration, and compensation planning, will be done by specialists reporting to line managers.

An analysis of the activities of the HR department suggests that: "The constituencies in the operating levels have a strong preference for their HR departments to perform administrative and employee support activities, while the constituencies at the corporate level tend to emphasize planning and development activities that have organizationwide implications."[3] This may also intensify the conflict between maintaining technical expertise and having a role in top management.

Exhibit A is a complete job description for the top HR executive of a large corporation. It brings into focus the disparate claims of functional expertise and of the strategizing, top management role. For example, the first four paragraphs explicitly refer to specialized knowledge, and point out that there is expert subordinate staff to supply that knowledge. Nevertheless, the top position seems to require expertise and experience in nearly all these functional details. The second paragraph makes it clear that organization and management of staff is part of the job. It is evident that this position has been in existence for a long time, that a complete infrastructure already exists, and that, possibly, there is a deeply embedded culture within which the executive must function. (Along the lines of "The Effects of Previous Corporate Decisions," pp. 9-10.)

The fifth paragraph describes a capability to take initiative—but ever so softly. It implies that the HR executive can diplomatically create a demand for new policies and programs. Finally, it reminds the applicants that their role is also to represent the interests of employees. Appended to this job description is a list of qualifying experiences and training that stresses functional expertise in many kinds of HR fields, from labor relations law to social psychology.

Exhibit B describes an entirely different position. It is a HR job evolving in a new, rapidly-growing company that has not yet developed the function. If this were a plant, it would be called a "green-field" operation. As a result, there is more emphasis on recruitment and development, and on strategy for the firm. There is little reference to functional expertise, and it has a note of informality that Exhibit A lacks. This financial company clearly recognizes that its people are critical to service delivery, and intends that its handling of HR produces good service outcome. But it has had very little personnel management in its brief history. It is looking for a generalist; an advisor and consultant to top management on HR strategy; and it is not specifying technical expertise.

These exhibits represent a few of the factors that affect HR executives' roles: the size of the company; its "age"; the kind of industry and types of employees; the aftereffects of unions, of government regulation, or of employee litigation.

[2] *Personnel, Training, and Labor Relations Managers*: Plan, organize, direct, control or coordinate the personnel, training or labor relations activities of an organization. Work involves establishing employee-relations policies; directing the selection, training, and evaluation of employees; administering benefits, safety, and recreation programs; developing wage and salary schedules; coordinating bargaining activities; and advising on labor contract administration.

Personnel, Training, and Labor Relations Specialists: Conduct programs of recruitment, selection, placement, training, promotion, welfare, safety, compensation, or separation of employees. May specialize in specific areas such as labor-management relations, counseling, job analysis, position classification, training, or compensation. *Excludes* occupations in personnel research and in the administration of testing and counseling programs for which a background in psychology is required.

[3] Anne S. Tsui, "Defining the Activities and Effectiveness of the Human Resources Department: A Multiple Constituency Approach," *Human Resource Management*, Spring, 1987, Volume 26, Number 1, p. 64.

Exhibit A: Senior Vice President, Human Resources

Position Profile

This position represents the personnel point of view in the strategic and operational direction of the business. The incumbent is expected to provide, with the support and concurrence of the President, a philosophy and guiding principles for managing the human resources of the company. Authority is limited to the protection of the company's interests in relation to laws and regulations pertaining to personnel. The position directly impacts all functions and areas of the company in matters of morale, management practices, employee well-being, compensation, benefits, structure, and development. The incumbent is expected to positively affect these matters through his/her personal influence and professional credibility rather than vested authority.

This position requires an incumbent with broad managerial and professional knowledge and experience. From the managerial standpoint, the Human Resources group comprises ten interrelated yet disparate functional areas: personnel relations, compensation, benefits, training, organization development, recruiting, personnel administration, field personnel services, communications and home office personnel services. The current staff consists of 75 people, including 42 professionals. The incumbent also has functional responsiblity for personnel services to four distribution centers. Budget administration responsibilities approximate 29.7 million.

On the professional side, with the exception of the directors of compensation and staffing and of human resource development and the managers of benefits and of media projects, virtually all staff members have been developed inside the company. Technical and professional direction and training rest with the incumbent. The incumbent is expected to provide the company with systems, programs, and processes which effectively support business goals and organization values. The company's principal executives rely on the incumbent's personal experience, skills and resources to bring the company to current "State-of-the-Art" status.

Critical competency requirements include preventive labor relations, personnel/labor law, compensation practices, benefit practices, training and organization development practices, and employee involvement processes. The company's widespread training needs are especially important at this time. The incumbent must have highly developed consulting and communication skills.

Although the incumbent is not expected to create or invent systems and programs, he/she is expected to introduce successful practices new to and adapt them to the company's particular needs. The incumbent must be able to judge when to act and when not to act with patience and persistence. He/she must be able and willing to modify actions to gain agreement and consensus. The incumbent must be able to place the priorities of the company over those of the personnel function. At the same time, the incumbent is expected to be a strong advocate for employee interests and well-being.

Candidate Qualifications

Broad experience is required in the following areas:

- personnel/labor relations in both organized and unorganized situations, including union-free policies and practices, organizing campaigns, unfair labor practice charges, arbitrations, labor contract negotiation and administration
- personnel policy formulation, communication and administration
- corporate culture change, including the facilitation of improved organization effectiveness
- human resource development with special emphasis on all facets of training; but also including organization planning, succession and manpower planning, performance standard/expectations, performance review, personal/management development, assessment of management potential, organization development, career pathing and recruitment/selection process
- compensation programs, including job evaluations, wage and salary plan design and administration, short- and long-term incentive plan design and administration, bonus and gain-sharing plans
- benefit programs, including the design and administration of health care, dental, life and disability insurance and of defined benefit/contribution plans, vacation, sick pay, holiday and other policies
- corporate communications, using print, video and other media, including booklets, newspapers and other publication, institutional and informational videos and meetings of management personnel
- participatory and responsive management, including use of employee and other involvement processes (PC's), project management/task force/focus group techniques, attitude surveys, and bottom-up (suggestion, coffee hours, "Express Yourself," hotline, etc.) communications
- human resource information systems, including the development and utilization of cost/time effective reports and analyses
- departmental direction, management and administration, including staff selection, training/development and deployment; short- and long-term departmental planning, project management, program development and execution, delivery of human resource services, budget development and administration.

(Source: material used by the search firm Kenny, Kindler, Hunt and Howe, New York City)

Exhibit B: Position Specification: Vice President - Human Resources

The company is a leading firm in the field of options and futures trading and risk management. It has grown to an organization of over 600 people and is active on 12 domestic exchanges as well as international markets. Its approach stresses extensive interaction among the trading, quantitative research, fundamental research, and systems groups and places particular emphasis on state-of-the-art technology in carrying out its activities. As the firm continues to grow and increase in complexity, including expansion into customer-driven service categories, it is committed to maintaining the highest caliber of people and providing them with career development and training, and exemplary working environment and reward systems. To accomplish this, the company seeks an exceptional professional to provide strategic leadership and direction in addressing a wide range of human resource issues.

Principal Responsibilities—Working within a relatively unstructured partnership environment, the Vice President-Human Resources will be responsible for dealing with the full scope of human resource matters on a day-to-day basis. This will involve development of overall strategies, near- and long-term planning, training, compensation and recruitment. In addition, he/she will establish ongoing programs focused on optimizing internal communication with employees. This individual will collaborate closely with the General Partner of the firm whose overall responsibilities include human resources. The successful candidate will undertake the delicate task of introducing the appropriate level of human resource disciplines to an entrepreneurial culture while maintaining and enhancing the creative processes and team-oriented approach that characterize the organization. This person will interface with all levels of the firm as he/she assesses strategic priorities and implements the human resource charter.

Requirement—This position calls for an individual having a particularly strong generalist background in human resources with specific experience in training and development, human resource planning, and compensation and benefits. Ideally, this person will have gained experience in an organization noted for the quality and innovativeness of its human resource operations, policies and procedures. The successful candidate should relate well to technology and to individuals who are highly quantitative and entrepreneurial. The Vice President-Human Resources should have demonstrated ability to be an agent of change and have succeeded in implementing the innovation and installation of responsive and forward-looking human resource policies. It would be helpful if this person had made the transition from a structured environment with well-defined approaches to human resource issues into an entrepreneurial setting and had dealt with a wide range of personalities and perspectives. It would also be helpful that the successful candidate have direct experience with human resource matters offshore. A balance between responsiveness to the needs of the organization and forcefulness in presenting his/her point of view is important. The successful candidate should bring a consultative approach to the human resource function leading to the creation of flexible programs in a diverse and changing partnership environment.

Recommended Charter for Improving the Human Resource Function—This successful private partnership of traders and entrepreneurs, through rapid growth and diversification into more customer-driven services, has now much more complicated requirements for human resources management. The partners recognize a need for a full-time human resource professional working in close concert with the partner in charge of human resources to implement the following priorities:

- design and implement a human resource planning process and systems
- expand and professionalize the training and development program worldwide
- manage and evaluate the compensation practices and performance measurement criteria
- preserve the company culture while nurturing other new cultures brought about by the additions of technology and customer-driven services including the assimilation of outsiders
- establish a formal employee communications program

The changes must be accomplished without sacrificing current organization strengths such as: entrepreneurial spirit, collaborative environment, pervasive partnership attitude, lack of structure, lean/no bureaucracy, common sense approach to users, highly humanistic/high importance in people treatment.

A proven professional is needed to relieve the partner in charge of the function from its day-to-day management, freeing up this partner for longer-range planning and policy issues.

Assumptions:

- A planning/development/compensation management is viewed as an imperative by the members of the Management Committee
- The partner responsible for human resources will sponsor and support integration of the new Vice President of Human Resources into the organization
- Most day-to-day decisions within the firm's strategic framework of a human resource nature will be delegated to the new Vice President of Human Resources; in other words, there will be a clear delineation as well as some intended overlap of decision-making between the partner in charge and the Vice President of Human Resources

Consistent with other private partnerships, there is a relatively moderate salary or guaranteed compensation with a heavy incentive component emphasizing performance and overall profitability at the principal level.

(Source: material used by the search firm Kenny, Kindler, Hunt and Howe, New York City.)

The Evolving Role of the Top HR Executive

What is the heart of the top human resources job? When Rex Adams, vice president for administration at Mobil Oil Corporation, was asked this question, his answer was, "It depends." The content of the job depends on the particular history of the firm, its industry, market position, and the objectives and style of its chief executive.

The current needs of the specific business have become the major influence on the activities of the HR executive. Yet the external facts of available labor supplies, compensation levels, and social and political climate also carry some weight. As one member of The Conference Board's Council explained: "The old HR executive was a product of his environment: an environment of plentiful, if not surplus, labor resources, and relatively scarce capital and other resources. So careful management of employees was overlooked. We managed organizations in such a way as to discourage ingenuity and initiative! Now, the labor resource is scarce. So, since we are all products of this new environment, the HR manager has become crucial to business advantage in the company."

Some Attempts to Define the Role

HR executives are usually part of the top business management team. They focus on furthering the firm's objectives. Their relationship to the CEO or COO is essentially supportive. Says Adams: "The top HR executive works with the top management group to provide all organizational requirements for moving (this) particular business in (that) particular direction, while thinking in ten-year lead times. This is the essence of 'being a member of the business management team.' "

Relationships with other line management involve providing direction and specific help. In other words, the firm's HR strategy, worked out by the top-level "team," is affected by the actions of line managers and supervisors with regard to their employees. A cost reduction strategy, for example, would be carried out in compensation redesigns and in many variations of productivity-enhancing actions, as well as in "downsizing" and restructuring the firm's activities.

Gaining (and keeping) credibility and trust is an important aspect of the HR role. Whose trust? Answer: the top executive team; line managers and supervisors; and all employees. In some cases, maintaining the trust of these three groups is difficult—perhaps impossible where their objectives are incompatible. For example, HR executives feel burdened by representing employee interests that occasionally disagree with the interests of the CEO. Policies, too, can be geared to employee concerns and made less expressive of managerial prerogative and control. A HR executive who has the respect and confidence of the CEO can become influential on behalf of other managers or of lower-level workers. Yet, it is clear that this is a very delicate piece of work.

Advisory Role

In dealing with line management, a HR executive may take on the role of "internal consultant."[4] The personnel specialist may gather information and provide analysis that line management needs for decision-making and may also offer advice on a particular course of action. Being an insider can be advantageous because the organization and its culture are already known and a trusting relationship already exists. On the other hand, these advantages may threaten independence and creativity and ultimately undermine any suggested changes.

Madelyn Jennings, senior vice president, personnel of Gannett Company, Inc., created a diagram that encompasses the roles of the HR executive (see Chart B, p. 18). She makes the role of catalyst paramount, but draws upon four other aspects of the job that appear in the paragraphs above. The "knowledge professional" has a technician's expertise but uses it specifically to support, not administer. The "negotiator/influencer" is a communicator and may also be a representative of

[4] Thomas J. Hackett, "The Real Role of Personnel Managers," *Personnel Journal*, March, 1988, pp. 70-75.

Chart B: Role of Human Resources

CATALYST:
Making a Difference!
Keeper of Shareholder Interests
Asks, would I do this if I owned my unit? Looks for ways to utilize resources better.
Negotiator/ Influencer
Helps managers understand needs and people understand decisions.
Futurist
Spots trends. Helps plan longer range direction for unit and people.
Knowledge Professional
Brings skills and competences to job as coach.

Source: Gannett Company, Inc.

employee interests. The "keeper of shareholder interests" is clearly concerned with the economics of the business itself—the interest of the top management team. Finally, the "futurist" is a business strategist who is sensitive to the external facts and trends that will ultimately affect the business.

A group of professors at the University of Michigan attempted to measure the importance of these roles by studying how other corporate colleagues evaluate the performance of human resources executives. Although their measures seem abstract compared with the kind of critical incident or anecdotal accounts that provide colorful insight, the size of the study commands respect. Dean Joseph White describes this in the box on page 19.

Advisor to the CEO

The most important aspect of the top HR executive's role seems to be that of counselor to the CEO, particularly with regard to strategy. Even though many HR executives speak of "programs" (a term that seems incongruent with strategy counseling), the programs themselves are responses to broad business needs. For example, if the firm develops a new business strategy to create and market a reputation for quality products, that strategic plan may be carried out through an intensive quality "program." This quality program may itself embody a new training "program," making the HR executive a facilitator for the broad realization of business goals.

A need for more flexible costs was perhaps the strongest strategic imperative of the '80s. The responsibility for change fell on the shoulders of work force managers. Costs of capital and of raw materials are both relatively fixed to the business purchaser or "customer."[5] In many ways, the cost of new technology is also fixed. That leaves the *cost of a business's work force*—total payroll—as the major opportunity for flexing business costs. That fact may explain the growing strategic importance of work force management. Not only is payroll a substantial part of total business operating cost; it is the *only* cost that is malleable.

Attaining flexibility in total payroll costs can be accomplished in many ways. Most directly, the compensation system can be made more responsive to business conditions and to individual performance by linking it closely with the firm's experience. With careful preparation, pay freezes and pay cuts can be introduced.

More broadly, payroll costs can be reduced by redeploying workers and managers, shifting their functions, and changing the structure of a firm's operations. This makes the entire work force, including its managers and executives, more fluid and responsive to market changes. Change and adaptive restructuring become a way of life for the company—a way to survive, in many cases.

Finally, the aggregate payroll can be sharply cut and reshaped by using either "outside" workers or by contracting out parts of an operation. For example, a company may decide to purchase maintenance services, engineering design, or public relations —eliminating internal corporate staffs. Contracting out also allows the company to use a specialized service company. If the service is inferior or too expensive, that contract can be shifted elsewhere, or renegotiated. Similarly, a company can deal with individuals or groups of workers on a contingent basis, hiring them for a specified task for a limited period. Contingent, temporary workers may form start-up staffs, or may be needed only for installing a new computer system; consultants can be hired for specific projects. In a sense, all of these techniques for flexing total payroll are simply "make or buy" decisions. This kind of outsourcing has been the chief way in which costs are being restructured—fluidized—

[5] For example, at any particular time, the "costs" or interest charges of a bond issue or a bank loan are given for the borrowing firm, as are the returns from a new issuance of stock. The costs of raw material, or of production technology, are set in a market in which each purchasing firm must deal.

Human Resources Directions in the 1990s: A Report on Two Surveys

by B. Joseph White

Associate Dean, School of Business Administration, University of Michigan

A 1989 study by Dave Ulrich and others at the University of Michigan proposes that three sets of competencies of the HR executive may be identified as follows:

- Knowledge of the Business: The extent to which an HR professional understands the financial, strategic, and technological capabilities of an organization.
- Delivery of Human Resources: The extent to which an HR professional is an expert in the function and delivers high quality, state-of-the-art, innovative HR practices. These practices fall into six categories: staffing, development, appraisal, rewards, organization design, and communication.
- Management of Change Processes: The extent to which an HR professional is able to increase an organization's capability for change. This involves demonstrating the attributes of an outstanding change agent: able to diagnose problems, build relationships with clients, articulate a vision, set a leadership agenda, solve problems, and implement goals.

These competencies "enable the HR professional to enhance organizational capability to meet customer requirements, to be an active member of the management team, and to demonstrate staff leadership by establishing a vision of how HR practices empower organizations to meet customer needs by generating commitment to the vision, and by institutionalizing policies and practices which execute the vision."[1]

This survey tested the hypothesis that HR professionals who demonstrate competence in each of these three domains (knowledge of business, delivery of HR, and management of change processes) will be perceived by their work associates as more effective.[2] In brief, this survey reports how 8,900 HR associates perceive the competencies of 1,400 HR professionals in 91 major North American firms.

Measures:

- For knowledge of business, 16 business activities or functions central to business operations;
- For delivery of HR practices, 21 total HR practices across the six HR categories presented earlier;
- For management of change processes, 30 behaviors that reflect ability to manage change processes;
- For overall performance of the HR professional, a scale that asked the Associate to respond to the following: "Overall, compared with other HR professionals you have known, how does the participant compare?"

Results:

Performance in virtually all of the items used to measure the three areas of competencies related strongly to Associates' overall perception of the competency of the Human Resource professional. Most interesting are the results of the statistical analysis intended to determine the relative contribution of each of the three competency domains to the Associates' overall perceptions of the effectiveness of the HR professional.

These relative contributions (to a high competency rating) are: knowledge of business (16.5 percent), delivery of HR practices (23.6 percent), and management of change processes (42.7 percent).

The top management of change competencies are:

1) Is visionary

2) Establishes trust and credibility in relating to others

3) Takes a proactive role in bringing about change

4) Expresses effective verbal communication

5) Builds supportive relationships with others

6) Encourages others to be creative

7) Identifies problems central to business success

8) Puts specific problems in context of the larger system

9) Clarifies roles and responsibilities

10) Emphasizes cooperation within the management team

[1] Dave Ulrich, Wayne Brockbank, and Arthur Yeung, "Human Resource Competencies in the 1990s: An Empirical Assessment." Working Paper, The University of Michigan, 1989.

[2] Ninety-one firms, most in the Fortune 200, participated. Participation meant that the senior HR officer identified HR professionals in business units through the corporation as "Participants" and personally invited these Participants to join in the research. In total, 2,100 participants were identified. Each was sent a packet with 10 surveys: one that he/she completed, 9 that they distributed to their work "Associates" (subordinates, peers, clients, or supervisors familiar with their competencies).

now. Moreover, the largest cost-saving advantage in contingent employment systems is reduction in paid non-productive time: the company is paying only for the worktime needed.[6]

Not all of the decisions on this technique are being made by HR executives. Other managers may be the purchasing agent. Yet, it is unlikely that a concerted effort to reshape costs by outsourcing would be made without HR's advice and assistance. One senior HR executive of a large service firm has referred to his company (and his function) as "renting behavior" from contractors, outside providers, and even its own employees.

[6] Audrey Freedman, Testimony, "Rising Use of Part-Time and Temporary Workers: Who Benefits and Who Loses?"; Hearing, Committee on Government Operations, House of Representatives, May 19, 1988, pp. 35-40.

If all employment relationships are becoming more fluid, then "contract" is the best way to describe them. Behavior-rental contracts can become a cost effective mode for operating a business. In a more competitive, downsizing business world, managers may begin to see all employees (including themselves) in terms of arm's-length contractual exchanges. An additional benefit of such agreements is that performance or expected output standards must be specified. They would therefore be more objective and businesslike than expectations in a traditional group enterprise.

The drawback is that loyalty and shared values will not develop on contract. That overused word "vision" (in the sense of coherent purpose) cannot be applied to a working enterprise that is merely a web of contractual arrangements. Thus the top HR executive must also undertake some melioration of the effects of hard-nosed cost-cutting, insofar as they destroy the sense of mutual endeavor among employees.

From Origins to 1990

The most pronounced characteristic of the human resources function is that it retains all of the issues that contributed to its development over seven decades. Having grown by accretion, the function retains themes and specialized concerns that arose in previous eras, even as it becomes blended with general management.

Perspectives on the HR Function

Where did the whole task of Personnel begin? How did corporations come to create a separate "function" to handle their employees? After all, workers are integral to the entire production process, as is capital equipment. It is imaginable that finance or sales might become an operation logically and organizationally separated from production. But managing workers? Employees were and are, in fact, managed by their line supervisors in hierarchical reporting structures. Yet about seven decades ago a separate, staff personnel function began to develop in large corporations. Then it spread to all but the smallest business firms within four decades.

Terminology for the function has shifted over the years, from "personnel," to "industrial relations" and "employee relations," and finally to "human resources." While all of these terms are still in use, the slowly shifting terminology matches a shifting management perception of work forces and what they do. Because of this, a modern-day understanding of the HR function requires some attention to its origins.

Social Work

At the turn of the last century, some large corporations in industries such as textiles, steel and railroading began to establish employee welfare departments, commonly under the stewardship of "secretaries." In textile mills especially, employers felt some moral responsibility for the very young girls who constituted their labor force. Entrepreneurs may also have been inspired by the utopian ideals of Robert Owen's New Lanark mills in nineteenth-century England; the social secretaries offered their assistance to masses of factory workers.

It was fundamentally social work, and was intended by enlightened employers to provide mutual aid, group activities (often of an educational nature), savings clubs, and some melioration of working conditions and the health hazards of factory life. The secretaries organized reading circles and recreation, "wash-up" and locker facilities, rest periods and emergency care, and charity drives. Decades later, some analysts described these welfare efforts as a constructive reaction to the appeal of unions. However, in contemporary thinking, the secretaries were distributing charity from a generous and modern employer to those in his care.[7] Their modern-day equivalent might be the organized Employee Assistance Program, or alcohol and drug abuse counselling, preventive health programs, and other helpful personnel activities.

Immigration

During the first World War and in the decade immediately following, profound changes occurred in the U.S. work force. Of greatest impact was immigration. Shortly after the turn of the century the flow of immigrants greatly increased, and remained high until war intervened (see Chart C, p. 22). The ease of finding work in the U.S. was perfect advertising for opportunity; the result was a steady supply of new "greenhorn" labor to factories and construction gangs.

The benefits to labor-hungry industry were obvious. Low-cost workers built the steel, machinery, clothing, leather and many other consumer goods industries; mined coal and copper; built roads, bridges, railroads, and tunnels. Native citizens were present too, but were also engaged in agriculture and rural development far

[7] Cyril Curtis Ling, *The Management of Personnel Relations*, Homewood, Illinois, Richard D. Irwin, Inc., 1965, pp. 75-82.

Chart C: Immigrant Arrivals of Working Age as a Percentage of Civilian Labor Force, 1870-1980

Note: For 1920-80, Immigrants 16 years old and over; for 1900-15, immigrants 14 years old and over; for 1870-90, immigrants 15 years old and over.

Note: Julian L. Simon, The Economic Consequences of Immigration, Cambridge, Mass., Basil Blackwell, Inc., 1989.

from the packing plants, breweries, foundries, and caissons of the big cities.

Immigrant flow was the highest that it has ever been, relative to the native population, during the decade before World War I. It was never more than about 3 percent of the base population in any year, but the size and concentration of the flow began to worry native Americans. A reaction of concern, particularly about "foreign influences," began to build. At the same time, urban school systems were burdened with children who spoke many European languages other than English, and who would only be in school a short time before entering a laboring life.

For employers, the benefit of a huge supply of low-cost, willing labor was accompanied by its polyglot characteristic. Though it may have been difficult to supervise workers who were called "grunt" labor because they could not communicate, the production and construction methods of the time required energy and brawn, not intellectual skills. Nevertheless, it is possible to imagine the setting of that period and discern one cause of the rise of a personnel office: factories manned by shifts of hundreds, perhaps thousands, of laborers who spoke their own language and seemed different in every way from their bosses. Worker "masses" replaced the manageable craft workshop with what amounted to a class system in the plants.

A second related development was unionism. These masses of workers were certainly suspected of being potentially revolutionary. They were a threat to the old order. Pressure for shorter hours grew, higher wages were demanded. Safety and occupational health issues were raised publicly. In some cases there was even a challenge to the arbitrary rule of plant bosses. One reaction was violence: the suppression of strikes and organizing with owner armies or state militia. Another class reaction was to identify worker movements with anarchists; Russian Bolsheviks; "agitators." A more constructive response to worker unrest was to establish, within mass production industries, the beginnings of an employee relations function.

Thus, the first seeds of formal personnel management were planted by massed labor, by concentrated immigration, and by union organizing. At about this time, 1916 to be exact, The National Industrial Conference Board was established to address these concerns. Its first managing director, Magnus Alexander, was an industrial relations analyst who published several reports on turnover and its costs—an important issue during the labor shortages of World War I.[8]

Unions

The unions that grew most rapidly were those that, sooner or later, matched the mass production model. Their appeal was made to the huge bottom layer of workers, not to individual craftsmen. The unions sought pay levelling as well as equal treatment for all in a plant or industry. Some even called this objective "industrial democracy" or the rule of law, as opposed to individual, arbitrary treatment of workers.

That very same policy of uniform treatment can be established without a union, responded the employers, with a personnel policy administered by a personnel department. Hiring could be managed more fairly than the "shape-ups" of earlier decades. Firing could be put under administrative regulation. Wages could be scientifically established. Even supervision could be managed. Following this line of reasoning, employers set about to make unionism unnecessary by adopting its objectives in the newly-formed staff function. Only the adversarial theme was omitted.

Such a review of origins makes it clear that the personnel function was created as a response to an external impetus. Union pressure, external to the management of the firm, required an internal adjustment. So personnel reflected that pressure in every aspect of its responsibilities. To put it bluntly, the personnel department owed its existence and importance to the unions.

The early functional specialties in personnel fit this general picture. Of major importance was wage-setting and wage adjustments, which frequently included piece rate systems. By the late 1930s, union avoidance occupied personnel staffs. Firms that were already

[8] Ling, pp. 370-71, 514-15.

unionized devoted the majority of their personnel attention to negotiation and administration of union contracts, including grievance and arbitration matters. This represented the skeleton of the personnel function on the eve of World War II.

Expansion of Personnel Administration During World War II

Wartime conditions had the obvious effect of requiring wage (and price) controls. Somewhat more subtle was the need to enlist the entire work force at home in the war effort to raise production, and the need for high domestic unity and morale. Unions were a strong existing organization for effecting all these national purposes. Their political influence grew. They became central to industrial mobilization, the wartime allocation of scarce labor, regulated wages and working conditions. If the U.S. ever has an "industrial policy," its model might be found in the operations of the War Labor Board and similar institutions.

Employer personnel offices took on the same configuration and purposes. After the war, an entire union-management system had been erected and was in place to dominate the 1950s and 1960s. One of the minor details of wage controls, the development of "fringe benefits," became an area of expertise. Another, industry-wide pattern bargaining, remained an objective even after wartime wage controls had been repealed. Labor (union) relations were still the most powerful influence on the personnel function. Academic institutes focused on labor-management issues. "Personnel" became "industrial relations."

Specialization

In large corporations, the personnel function had developed as a centralized staff response to specific external pressures. Its departmental configuration matched those pressures, and was highly specialized. By the 1950s, the major technical specialities were:

- labor relations (including union avoidance)
- wage determination and systems
- benefits design and administration

These three subject areas developed sub-specialties, covering the technical details of particular corporate systems. For example, benefit administration might have staff devoted to trust-funded, supplemental unemployment benefits, or to pension management. Or, a heavily unionized firm might have staff specializing in grievance handling and arbitration.

Emergence of Employee Relations

In many cases, this dominance of labor relations issues caused a breakout of a separate personnel function for non-unionized employees. While the industrial relations departments operated by the book of union contracts and government labor relations regulation, a non-union employee relations function focused on compensation systems. Gradually, it also began to move into recruitment and employee development and training. A social service interest in workers' home lives added low-key employee assistance and counseling in larger firms.

By the 1960s, executive compensation and managerial reward systems began to develop specialized approaches. In most cases they were viewed as part of the personnel function. Thus, there emerged the following specialized staffs in the non-union wing of "personnel" (as separate from the union "industrial relations" function): compensation, recruitment, training and development, succession planning, and managerial reward systems.

Government

Government regulation and external pressure also played a part in the development of personnel. At its union-generated conception, national and state legislation protected union organizing and bargaining, and shaped employer activities around the administrative regulations. This gave the personnel field a legal flavor from the late 1930s onward. More and more, labor lawyers framed the HR strategies of private business.

Compliance with minimum wage regulations, as well as working-hours restrictions and occupational licensing, was more of a purely administrative matter lodged in the personnel function at the plant or establishment level. These activities were assisted by handbooks and looseleaf services designed to guide technical and clerical staff in detailed compliance with the increasingly elaborate regulations and court decisions.

Then, in the mid-1960s, government began to regulate employment and promotion policies to produce equal opportunity for blacks. An expansion of this interest eventually included women, the elderly, and other groups. This brought government into the internal personnel operations of all but the smallest companies. It was a response to public concern about the employment practices of private business.

Business, again responding to external pressure, added another specialty area to personnel: equal opportunity. It was to become primarily a compliance function; but it touched upon recruitment, training and development, compensation policies, and even labor relations, changing most of them in fundamental ways. Gene Remoff of ARA Services observed:

> "Title VII did something else, I think. While it challenged many of the shoddy, ill-conceived practices of companies and their industrial relations/personnel functions on the basis of EEO concerns, it also forced a clean-up of these practices for all employees. A good example is the required house cleaning

Government Role as of 1977

Perhaps the single most important change, however, has been the increasingly active role taken by government in company personnel matters. Well over two-thirds of the 673 executives surveyed for this report regard government as a major force for change in personnel management over the past ten years. This governmental role is currently centered in three areas of regulation—equal employment opportunity, occupational safety and health, and pension reform. However, a large number of companies participated in the primarily voluntary government-sponsored manpower training and development programs during the years 1968-71, and other governmental activities have had, and are expected to have, major impacts on the personnel management of specific companies. All of these changes, but especially the need to comply with government regulation, have gone far to change management thinking in many companies as to what the personnel function is all about.

Allen R. Janger, *The Personnel Function: Changing Objectives and Organization*, Report no. 712, New York, The Conference Board, 1977

on invalid, unreliable paper-and-pencil tests. A lot of those EEO regulations made good sense from a personnel practices point of view. We were now being called to task by a set of standards. I believe it was a major push forward in the professionalization of the function."

Further Federal regulation of pensions and benefits occurred during the 1970s and 1980s. Moreover, national concern about threats to public health led to occupational health and environmental regulations that are still growing.[9] Today, even the personal habits of employees (in alcohol and drug use, for example) are becoming a public policy and regulatory interest.

The external challenge presented by unions, government regulations, or individual and group lawsuits has been a major determinant of the importance of personnel staff to corporations. Without that threat, the personnel function would be of much less consequence—it might never have developed in the first place. Essentially, the message was that a personnel misstep might cost the corporation millions of dollars (see pages 25-26). This drove public policy deep within the economic concerns that dominate the strategies of private industry.

Competition Introduces a New Element

Competitive pressures—arising from imports and from deregulation—introduced new business emphases during the 1980s. Old-line, well-administered corporations were forced to cut costs, improve productivity, become more flexible and responsive, and raise quality. None of these new demands can be met by following rulebooks and procedures.

[9] Audrey Freedman, *Industry Response to Health Risk*, Report no. 811, The Conference Board, New York, 1981.

This caused personnel to become "part of the business." Even the terminology shifted toward an economic phrase based on productive resources (i.e., capital, natural, and human resources). Business needs brought economic considerations to the forefront of the newly-renamed "Human Resources" function.

This growing competitive pressure did not create new subspecialties, as did the earlier, externally-determined procedures. It simply shifted the dominant influence in managing employees toward business considerations, efficiency, and conservation of resources on a grand scale. Competition established a cost-cutting ethic. It required more flexible pay formulas, and less fixed, long-term employment.[10] Competitive conditions restructured the corporate entity many times, and HR reallocation was at the heart of each reorganization.

Why should the spotlight have fallen so heavily on human resources? Because the cost of labor is the only business cost that can be "managed." Other resources—capital, raw materials and resources, and technology have relatively fixed prices and relatively fixed, or "sticky" costs to a producer of goods or services. But labor costs can be made responsive quickly and fairly easily with good HR work.

Labor costs are being managed with innovations in all of the specialty areas, as well as some new emphases on labor allocation. Some functions can be purchased, subdivided in new ways, and the business "downsized" and restructured to fit new markets and service needs. More use can be made of contingent workers—contract, temporary, free-lance, and part-time. Compensation can be revised so that a substantial proportion is determined by incentive. Quality labor can be found by marketing jobs and the employer's reputation to an untapped segment of the population, rather than by engaging in a bidding war with other employers. Training can be used to develop self-management among workers, thus raising efficiency and rapid response.

In adopting an enterprise-based agenda, the HR function became integrated with line management thinking. While HR retains its external relationship role, it has moved far beyond the rulebooks of personnel handbooks, union contracts, and court decisions. In many cases, it has become seamlessly connected to line management in the operation of the business.

That gives rise to some problems. Corporate management of HR is surrounded and constrained by its past. Nevertheless, professional and academic advisors may create the impression that a "new era" has begun (or, sometimes, a new management fashion). The HR manager feels pressure to adopt a completely new policy and culture in one revolutionary sweep. More than most executives, these managers know that the company is living with the present effects of history.

[10] Audrey Freedman, "How the 1980's have changed industrial relations," *Monthly Labor Review*, Vol.111, no. 5, May.1988, p.35.

Institute for Personnel Managers—Boston University
The Comprehensive Agenda

I. Today's Rules of Recruitment, Interviewing and Hiring

- Immigration law requirements—and penalties.
- Exactly what kinds of specifications are banned from "help-wanted" ads because they discriminate on the basis of race, sex, age, religion or national origin.
- When you can legally rely on word-of-mouth advertising or referrals to identify prospective job candidates.
- What questions may and may not be asked of job candidates on application forms or during job interviews.
- Employment standards that may present discriminatory problems; customer/co-worker preferences, educational level, language fluency, experience requirements, physical fitness, arrests or convictions, relatives of present employees and credit checks.
- Avoiding discrimination in the way you assign employees to particular jobs.
- The four ingredients of a prima facie case of discrimination in hiring.
- The current potential for legal liability in the physical exams you administer to your employees—before and after employment.

II. Today's Rules of Performance Appraisal and Promotion

- The most important features of court-approved performance appraisal systems.
- Your current legal obligation to conduct regular, unbiased performance appraisals and how to avoid negligence in doing so.
- Eight legally fatal defects in most performance appraisal systems.
- Where employment discrimination may now arise in procedures for employee bidding on jobs, predetermined job progression paths, promotion based on seniority lists, job upgrading and job training opportunities.

III. Today's Rules of Termination—Employment-at-Will and Unjust Discharge

- When "just cause" can be found in insubordination, poor attitude, unsatisfactory job performance, poor attendance or criminal activities.
- How to discern when there may not be a "public policy" exception to the traditional legal doctrine of Employment-At-Will: termination based on refusal to commit a crime, willingness to serve jury duty, pursuit of legitimate political activities, or filing a discrimination complaint against the employer.
- The most current explanation of the concept of "whistle-blowing" and when you may use it as a basis for firing an employee.
- How you may be setting yourself up now for a complaint of "abusive discharge."
- The specific circumstances under which language in your job advertisement, offer letter, application form or employee handbook may not be interpreted as an express or implied contract of employment, precluding arbitrary discharge.
- The importance of progressive discipline.

IV. Today's Rules of Affirmative Action and How To Meet Them

- The present legal status of affirmative action programs: Are they required or simply advisable?
- The special affirmative action obligations of organizations now doing business with the federal government.
- Are the affirmative action obligations for smaller businesses now different from those for Fortune 500 corporations?
- How to conduct a required EEO utilization analysis and then act properly.
- Where "quota-type" affirmative action plans stand after the U.S. Supreme Court decision in the Memphis Firefighters case.

V. Today's Rules of Sex Discrimination

- Forms of discrimination based on a woman's pregnancy, abortion, childbirth or related medical conditions.
- How to take into account factors such as sexist leadership skills, aggressive selling ability, physical strength, combative skills or family responsibilities—without discrimination on the basis of sex.
- Situations where sex may constitute a Bona Fide Occupational Qualification.
- When you may now allow the preferences of coworkers, customers or the public to affect your hiring decisions.
- Steps you may take to protect the fetuses carried by your pregnant employees.
- Potential sex discrimination problems in your pension or retirement plan.

- When a seniority system that perpetuates prior discrimination will and will not be acceptable to the courts.
- Statements which constitute evidence of discrimination.

VI. Today's Rules of Sexual Harassment

- What kinds of "sexual harassment" may now constitute employment discrimination.
- The difference between "sexual harassment" and "innocuous social interaction."
- The employer's different levels of liability depending on the "employment consequence" of the harassment.
- When does sexual harassment create a legally-prohibited "intimidating, hostile or offensive" working environment.
- How legally to avoid the serious complaint of constructive discharge through sexual harassment.
- The latest EEOC regulations and recent court cases.

VII. Today's Rules of Handicap Discrimination

- Current, working definition of the term "handicap" and a listing of physical and mental conditions it encompasses.
- The special affirmative action duties of federal contractors with regard to handicapped job candidates and employees.
- Language of the Federal Rehabilitation Act with which you must be familiar.
- Are you covered by state law banning employment bias against the handicapped?
- How much money must you spend and what changes must you make in order to satisfy the legal requirements of "reasonable accommodation."
- The legal issues of AIDS in the workplace.

VIII. Today's Rules of Age Discrimination

- Demographics of the typical age discrimination complainant.
- Which age groups are protected in what kinds of employment situations.
- The deadly potential liability of state age discrimination statutes.
- Specific age-related language which may or may not be used in job ads.
- When age may be a Bona Fide Occupational Qualification.
- Current details of possible defenses against charges of discrimination under the federal Age Discrimination in Employment Act (ADEA).
- Guidelines on your several defenses to a charge of discrimination on the basis of "reasonable factors other than age": workforce cutbacks for economic reasons, job elimination through merger or acquisition, misconduct or job performance.
- How big is the loophole of the ADEA's mandatory retirement exception?
- The time bombs of the "front pay" and "liquidated damages" remedies uniquely available under the ADEA.
- Statements which constitute evidence of age discrimination.

IX. Today's Rules Concerning Problem Employees and Employee Assistance

- Your current responsibilities when employee's personal problems affect their performance on the job.
- The only acceptable guidelines for acting on your suspicions that an employee is engaged in criminal activities.
- When "work force morale" may be a legitimate reason for disciplining an employee or terminating their employment.
- How to straighten out employees whose sub-par performance has been tolerated by a previous supervisor.
- Handling employees whose job performance is mediocre, but not bad, or fluctuates between satisfactory and unsatisfactory.
- The employee who is a constant source of well-intended complaints about company operations and whose work is quite satisfactory.
- Recommended steps for handling specific kinds of employee disciplinary problems (tardiness, absenteeism, fighting, insubordination, alcohol/drug abuse).
- Employee assistance programs.

X. Plus—The Current Law Enforcement Climate Re: Employment Discrimination

- The current legal mandates and procedures of the key law enforcement agencies in employment discrimination: Equal Employment Opportunity Commission (EEOC), Office of Federal Contract Compliance Programs (OFCCP), Department of Labor (DOL) and state Human Rights or Equal Employment Opportunities agencies.
- Current and changing enforcement attitudes and the tactics agencies will use to compel your compliance.
- What an EEOC "charge" is and how it differs from a full-blown court suit.
- Current ploys and strategies of employees and their lawyers for squeezing a monetary settlement out of you.

The Future of Training

As HR management becomes increasingly critical to business operations, training for the job gains importance. The "easy" matters concern technical training in specialized areas like compensation or benefits administration. Somewhat broader subjects focus on developmental work, such as the principles of employee and managerial training itself, career management, recruitment and selection.

The broader concerns are the most difficult. For example, should HR work be a part of all managerial training since it is an essential aspect of managing? Or, perhaps the hardest question, what exactly is the unique content of HR management training? Is it a separately identifiable "discipline?" Is it a discipline at all, in the academic sense, or more of a performance art that is acquired on-the-job rather than through formal education?

Technical Training

Specialized training in such subjects as compensation and benefits administration, or compliance with government regulations, is readily available from professional societies, training institutes, and the extension departments of universities. The pattern seems to be for people who have been hired or promoted into technical HR jobs to take short courses. These one-day to week-long courses provide detailed guidance and, usually, step-by-step manuals for carrying out one program or element in personnel work. The reason for this type of training is that a course in the details of regulatory compliance has no part in general academic work. Yet it is essential knowledge for personnel specialists, usually at a point where new tax laws, pension regulations, or compensation plans are being introduced. A listing of some of these short-term training institutes (see box) indicates their timeliness and specificity.

Some longer post-graduate courses cover broader and less technical aspects of HR responsibilities. An example is "The New Human Resource Executive: Leadership at the Policy-Making Level" sponsored by the Institute of Labor and Industrial Relations at the University of Illinois and the SHRM. In this case, course content includes demographic and social trends, organization development "principles, concepts, and theories," economic pressures, aspects of psychology, labor/management matters, and organizational structure, among other subjects.

Beyond these courses lie the employee development fields of expertise. For example, HR departments are themselves trainers of other employees and managers. They usually handle recruitment and selection of new employees, and career management in the firm. A background education in psychology, counseling or sociology is useful, though not always required.

Some of the short-term course material offered by professional associations and university extensions deals with subjects such as training in corporations. Corporate development programs may be taught as legal, technical subjects, or they may be based on the

Titles of Selected Technical Courses in Personnel

- Issues in Personnel Law
- Strategic HR Planning
- Preventing Employee Lawsuits
- Performance Appraisal
- Designing and Implementing Incentive Compensation Strategies
- Job Evaluation and Pay Administration
- Effective Employee Communications
- Workers' Compensation Administration
- Designing a Flexible Benefit Program
- Benefits and the Law
- Interviewing: a Strategic Approach
- Equal Opportunity/Affirmative Action
- Developing and Conducting Employee Opinion Surveys
- Job Analysis
- Preventing Sexual Harassment
- OSHA Compliance
- How to Hire and Supervise Handicapped Individuals
- Basic and Advanced Wage and Salary Administration
- Employee Discipline and Grievance Handling
- Negotiating and Administering a Labor Contract

Personnel Accreditation Institute

Since PAI first began accrediting HRM professionals in 1976, it has established an acknowledged standard—its nationally recognized codified body of knowledge for the HR field.

Why Accreditation is Important to You

For you, accreditation can mean:

- **National recognition of professional achievement**
- **An unparalleled opportunity to demonstrate mastery of the HRM Body of Knowledge**
- **A career aid for advancement**
- **Process builds pride and confidence in your HRM decision-making**
- **A personal challenge to stay abreast of new developments in HRM**
- **If you are a specialist, the accreditation process assists in gaining command of the body of knowledge across all HR functions**
- **A visual reminder of your professional status—through display of your earned designation on business correspondence and handsome Certificate of Accreditation**

Eligibility

The Personnel Accreditation Institute grants accreditation after the applicant has:

1. Verified current full-time professional exempt experience in the field as either a practitioner, educator, researcher or consultant, and...

2. Passed a comprehensive written examination to demonstrate mastery of knowledge.

To earn the basic generalist designation PROFESSIONAL IN HUMAN RESOURCES (PHR) you must have:

- **Four years of professional HRM exempt experience**

OR

- **Two years professional HRM exempt experience and a bachelor's degree**
- **One year professional HRM exempt experience and a graduate degree**

AND

- **Pass a comprehensive examination**

As a HRM professional, accreditation in human resource management is vitally important to you and to maintaining the high standards of the profession.

The Personnel Accreditation Institute is a research and accrediting non-profit organization founded by SHRM. Contributions to PAI are tax-deductible under the provisions of Section 501(c)(3) of the Internal Revenue Code. Merit award points are granted to any SHRM affiliated chapter sending a donation to the Institute and/or inviting and Institute spokesperson to present a program on HRM accreditation.

Source: *Who's Who in HR, 1990 Directory*, Society for Human Resource Management, p. 58.

psychology of learning and growth. Similarly, recruitment and selection courses based on avoiding litigation tend to be highly technical. However, when recruitment/selection is directed toward building a strong work force, it is likely to be based more broadly on the philosophy and methods of appraising skill, experience, and personality.

Society for Human Resource Management

Some 44,000 members of the professional Society for Human Resource Management (SHRM) are working in the field in the U.S. The SHRM provides network and information services, local and national meetings, publications, and professional accreditation that includes experience and a qualifying examination.

In 1989, this group was titled the American Society for Personnel Administration, and its magazine was *Personnel Administrator*. Significantly, its title has become broader, and bureaucratic implications have been excised. SHRM is the U.S. member and a founder of the World Federation of Personnel Management Associations.

SHRM offers a variety of services that educate and keep human resources managers up-to-date in personnel management techniques, legal and legislative developments, and movements in the economy that affect employment. The members' two main information channels are publications and meetings—though electronic networking is beginning to supplement other means of gathering facts and help.

The magazine and newspaper/newsletter output includes analyses of issues such as drug testing, work-and-family considerations, or effective recruitment methods; discussions about legal trends, court decisions, and new government regulations; reports about the representation activity of the Society before Congress, and a legislative update; and survey data on wages, benefits, and other personnel matters. Monographs on specific subjects, guidebooks, and manuals are published regularly, sometimes in conjunction with The Bureau of National Affairs or Prentice-Hall/Simon Schuster.

SHRM holds a large national annual conference and many regional meetings, as well as state-level and local chapter gatherings.

A training issue arises in the accreditation activity of SHRM. Its Personnel Accreditation Institute aims to create a clear-cut professional path for HR as a "specialist" group (see box). However, the two levels of certification fully acknowledge practical experience in the re-

The Education and Training of Human Resource Management/Personnel Specialists

by David Lewin
Professor of Business Columbia University

Where do human resource management/personnel specialists receive their training and what type of training do they receive? There is no single answer to this question. New personnel specialists are typically recruited from colleges and universities upon completion of the bachelor's degree. The fields represented by such "specialists" include psychology, economics, social psychology, sociology, social work, and business administration, among others. Further, some of these entry-level specialists receive their academic training in schools and departments of industrial relations, such as those found at Cornell, Illinois, Minnesota, Iowa and other universities.

What most of these programs, except perhaps business administration, do not provide is a business or organizational context for personnel management studies and practice. Consequently, the entry-level personnel specialist recruited from an undergraduate program typically has little knowledge of business strategy and policy, marketing, accounting, finance, operations, research and development, and other components of business enterprise.

Perhaps for this reason, there has in recent years been some upgrading of the recruitment and selection of new personnel specialists. Specifically, businesses are increasingly drawing on graduates of MBA programs to staff personnel departments. In addition, however, many of these same organizations have replaced the departmental and job title of "personnel" with that of "human resources." While changes in terminology sometimes represent a bandwagon or fad effect, this change apparently signals an upgrading of the personnel function to reflect a higher level, more strategic approach to the management of HR in business organizations.

It is ironic, then, that relatively few MBAs in the U.S. specialize in HR management; most concentrate in finance, marketing, international business, and other specialties, despite the fact that most MBA programs offer one or another type of concentration in HR management. The bottom line is that the demand for HR management (or personnel) specialists by business is very unlikely to be filled by a supply of MBA graduates.

What of the practicing HR management/personnel specialist? The numbers of such technicians are expected to grow manyfold during the '90s (see data in Chapter 1). Where does this individual receive specialized training or development? One "answer" seems to be in the one and two-day seminars, conferences, and workshops conducted by such organizations as the American Management Association, American Compensation Association, International Personnel Management Association, among other organizations.

Other HR managers, especially at mid- and senior-levels, take week-long, off-site programs, usually acquiring a certificate of completion. What does not exist in this field is a uniform set of training and developmental experiences, standard requirements for knowledge maintenance and upgrading, or, most basically, certification for entry to the field.

It remains true that there is no single route into HR management and no common set of standards by which to judge new entrants to the field. Much of what practitioners learn in this area continues to take the form of on-the-job training. Whether or not this approach will serve the HR management specialty or business organizations more effectively in the '90s is a question well worth pondering—as is an alternative approach featuring common academic training, developmental experiences, and, above all, certification on a one-time or recurring basis.

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quirements shown. In fact, even a graduate degree must be accompanied by at least one year of HR experience to attain the lower of two levels of accreditation. An examination is also administered for both levels.

Academic Training

Most top-level HR executives have completed post-graduate work, much of it at graduate schools of business.[11] However, few graduate with a concentration in human resources. In fact, the American Association of Collegiate Schools of Business (which accredits business schools) does not even include HR management as a required subject within MBA programs.[12] The standard curriculum of many business schools has recently been re-examined and criticized. Its emphasis on marketing and financial management is seen as too limited. In an interview,[13] Richard Cyert, president of Carnegie Mellon University, observed:

"Q: Has the great post-World War II American business school expansion been a failure?

"A: I wouldn't say it's been a failure, but certainly its weak spots have been exposed. Our business schools have let down society by not doing a better job of truly studying management. Looking at human resources and human-resource development, looking at questions of how you improve productivity, how you involve your work force to do a better job—these are the kinds of things we should have been doing"

[11] *Human Resource Executive*, September, 1988, p. 45.
[12] David Lewin, "The Industrial Relations (IR) Content of MBA Degree Programs in the U.S.," *Proceedings of the Forty-First Annual Meeting of the Industrial Relations Research Association*, Dec. 28-30, 1988, p. 475.
[13] *Wall Street Journal*, April 13, 1990, p. B-1.

Is Human Resources a Separate Profession?

The observations of academics presuppose some sort of formal training that can be clearly identified as "human resources management" by subject. This moves in the direction of a professional identity. Yet the other side of this story is one of general management (e.g., the management of an enterprise or organization through the people who work within it).

Many of the top HR executives on The Conference Board's Advisory Council referred to this activity. They are advisors and counselors to the CEO; they are members of the executive committee; they are part of acquisition teams; they may set up and run a new business within the firm. These job activities are undertaken within the company, as general management. They are not part of a "profession" with external identity and ties.

Some of these roles were discussed at a Wharton School meeting of CEOs, top HR executives, and faculty. The focus was on what are often called "soft" aspects—society, teamwork, accountability, involvement, capability of the work force, human outcomes of business shifts, needs for security, interpersonal relationships, structure of organizations, mutuality and participation. Implicitly, the group knew that these subjects comprise a good deal of CEO concerns.

But, in contrast, business objectives are "hard": strategies and actions directed toward making money, prevailing against the competition, and surviving as an organization. That is the hard economic command.

The interplay of soft and hard is present in all businesses. So the HR aspect of all management jobs is to mediate between these two realities: the hard reality of economic objectives, and the soft instrument of human society and behavior.

Exhibit A: Organization Charts for the Human Resources Function

Chart 1

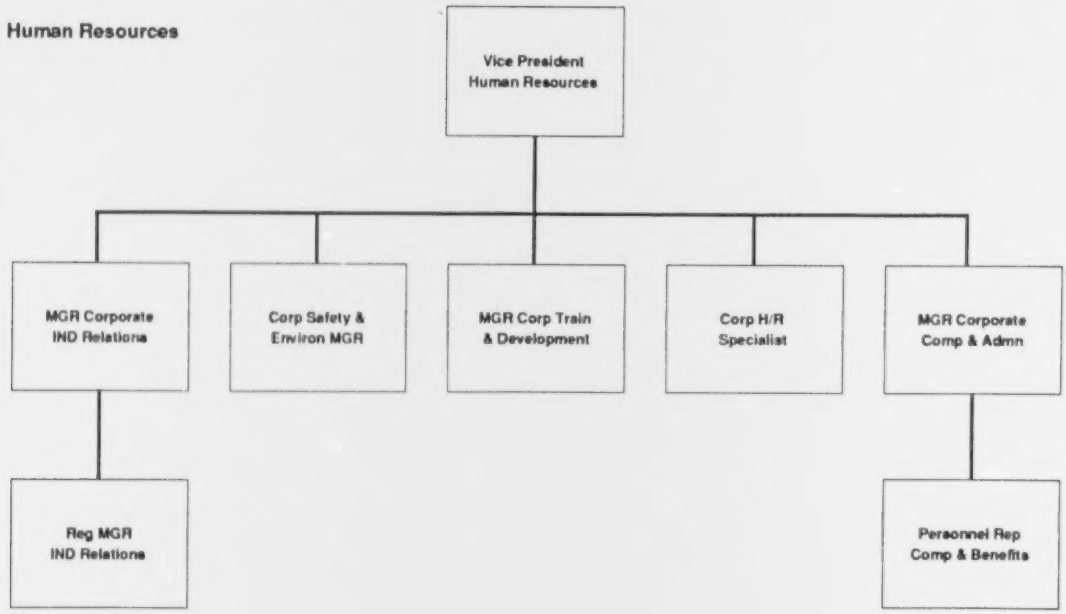


Chart 2

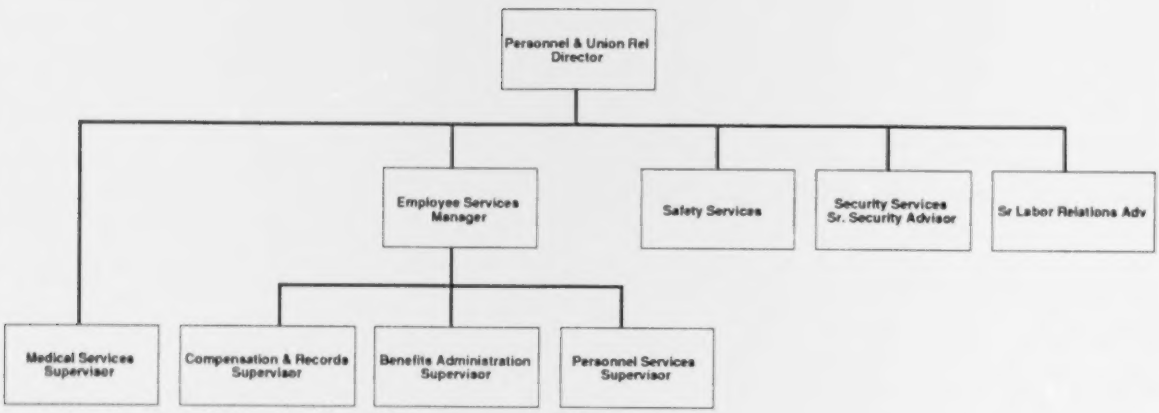


Chart 3

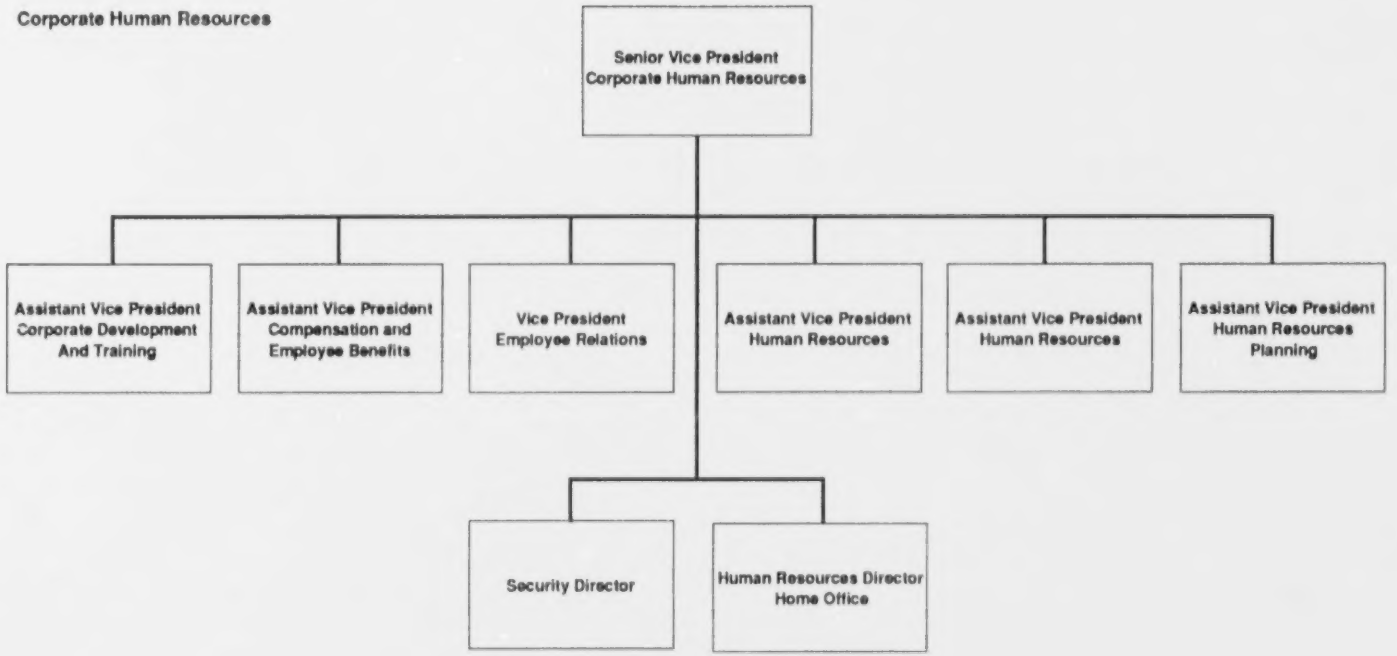

Corporate Human Resources
Senior Vice President
Corporate Human Resources
Assistant Vice President
Corporate Development
And Training
Assistant Vice President
Compensation and
Employee Benefits
Vice President
Employee Relations
Assistant Vice President
Human Resources
Assistant Vice President
Human Resources
Assistant Vice President
Human Resources
Planning
Security Director
Human Resources Director
Home Office

Chart 4

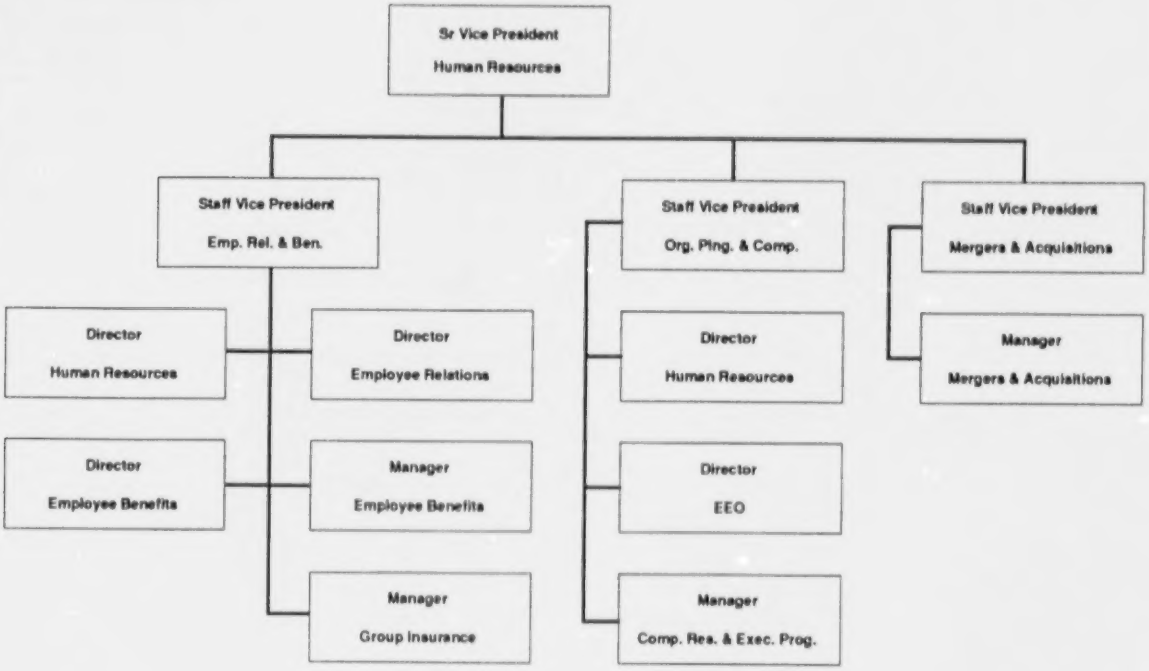
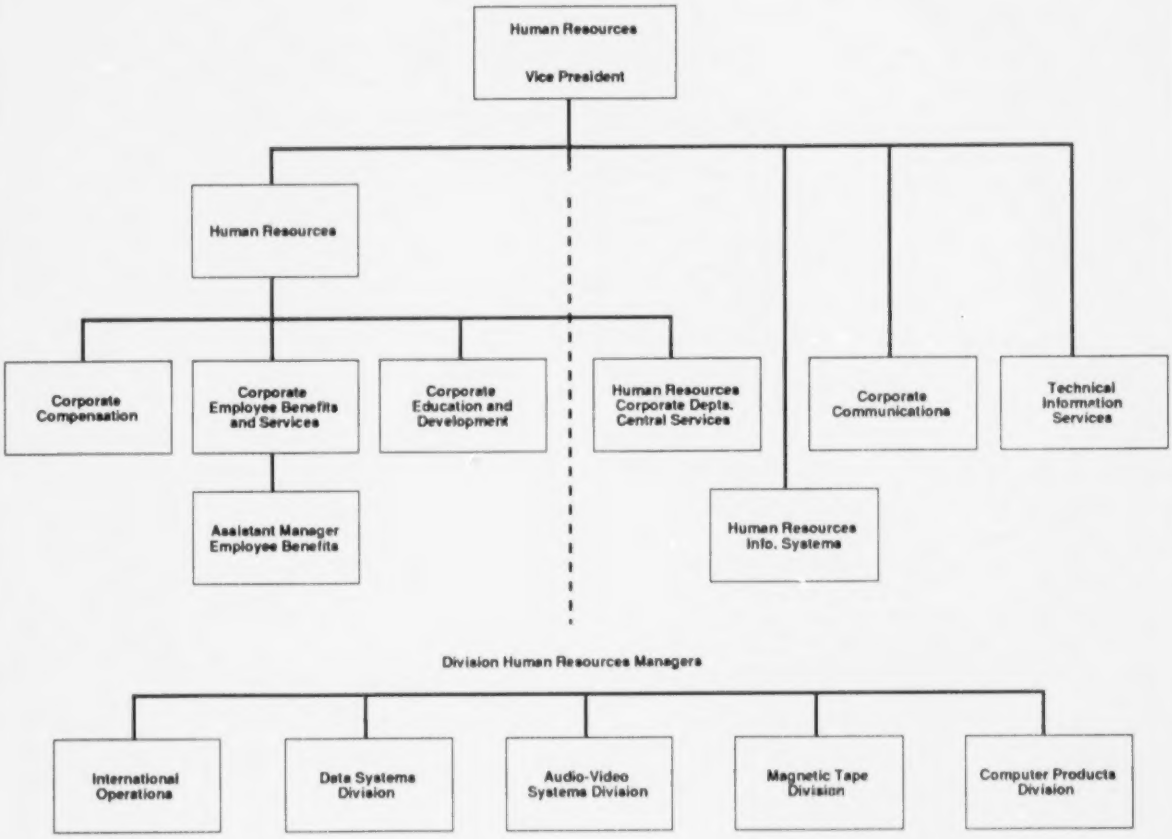

Sr Vice President
Human Resources
Staff Vice President
Emp. Rel. & Ben.
Staff Vice President
Org. Plng. & Comp.
Staff Vice President
Mergers & Acquisitions
Director
Human Resources
Director
Employee Relations
Director
Human Resources
Manager
Mergers & Acquisitions
Director
Employee Benefits
Manager
Employee Benefits
Director
EEO
Manager
Group Insurance
Manager
Comp. Res. & Exec. Prog.

Chart 5


Human Resources
Vice President
Human Resources
Corporate Compensation
Corporate Employee Benefits and Services
Corporate Education and Development
Human Resources Corporate Depts. Central Services
Corporate Communications
Technical Information Services
Assistant Manager Employee Benefits
Human Resources Info. Systems
Division Human Resources Managers
International Operations
Data Systems Division
Audio-Video Systems Division
Magnetic Tape Division
Computer Products Division

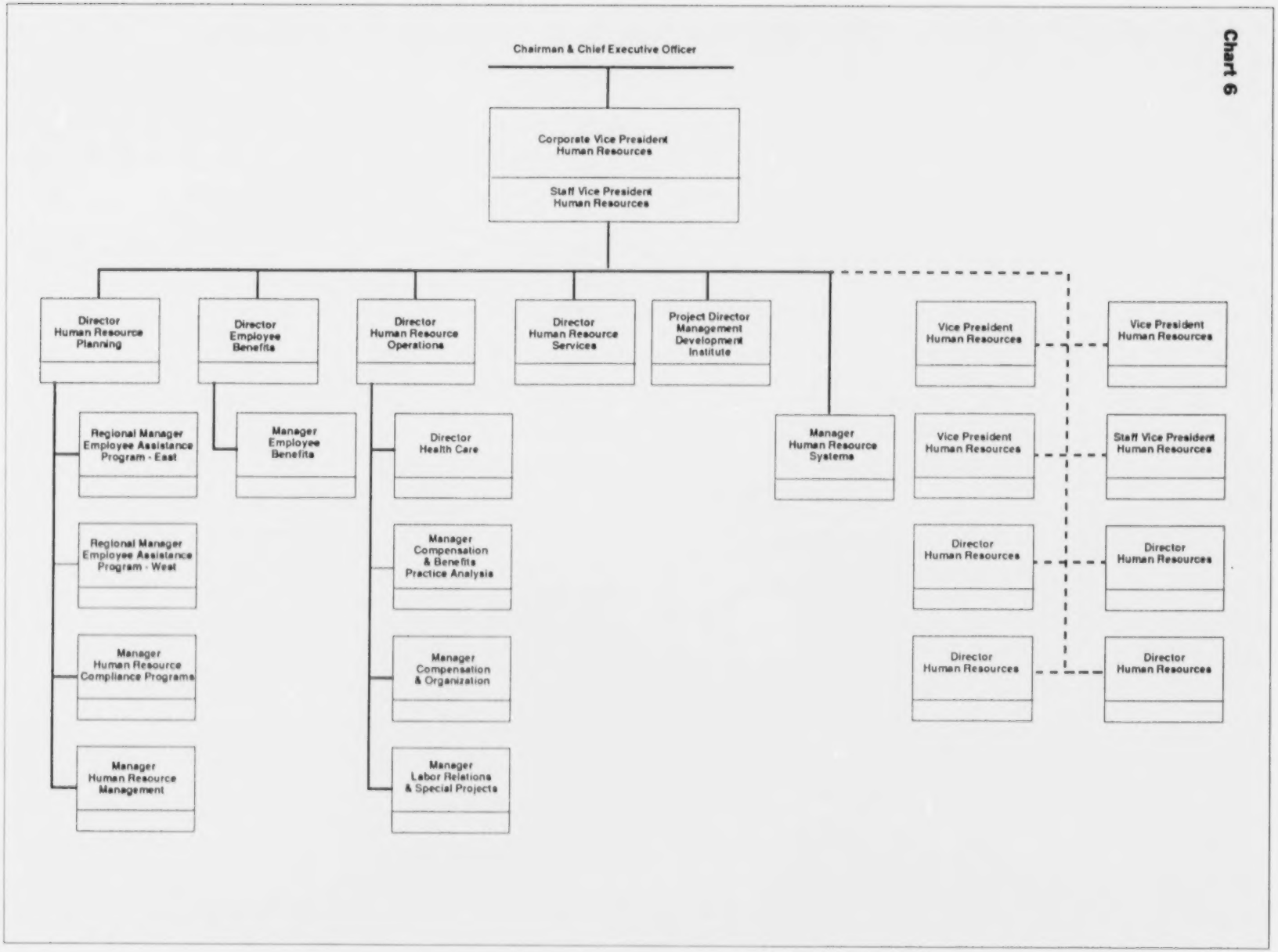


Chart 6
Chairman & Chief Executive Officer
Corporate Vice President
Human Resources
Staff Vice President
Human Resources
Director
Human Resource
Planning
Director
Employee
Benefits
Director
Human Resource
Operations
Director
Human Resource
Services
Project Director
Management
Development
Institute
Vice President
Human Resources
Vice President
Human Resources
Regional Manager
Employee Assistance
Program - East
Manager
Employee
Benefits
Director
Health Care
Manager
Human Resource
Systems
Vice President
Human Resources
Staff Vice President
Human Resources
Regional Manager
Employee Assistance
Program - West
Manager
Compensation
& Benefits
Practice Analysis
Director
Human Resources
Director
Human Resources
Manager
Human Resource
Compliance Programs
Manager
Compensation
& Organization
Director
Human Resources
Director
Human Resources
Manager
Human Resource
Management
Manager
Labor Relations
& Special Projects

Chart 7

Vice President Personnel Administration
MNG Director Compensation
Manager Organization Planning & MBO
Manager International Compen/Benefits
MNG Director Benefits
Manager Productivity Improvement
Manager Compensation Services
Manager Compensation OPS & Planning
Sr Manager Employee Benefits
Sr Manager Group Health Administration
Manager Retirement Administration
Manager Group Health Administration
Manager Disability
Manager Group Health Administration
Manager Group Health Administration
Manager Group Health Administration

Chart 8

Employee Relations Department